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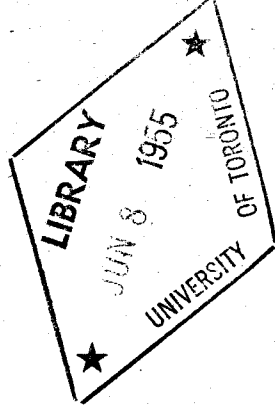
Second Session, Twenty-Second Parliament, 3-4 Elizabeth II, 1955.

THE SENATE OF CANADA

BILL W12.

An Act respecting The Dominion of Canada General
Insurance Company.

AS PASSED BY THE SENATE, 18th MAY, 1955.



EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1955

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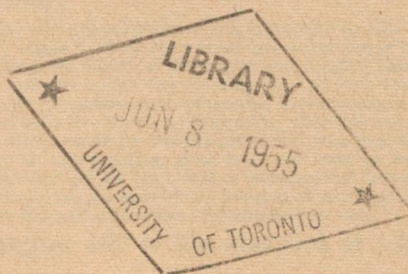
Second Session, Twenty-Second Parliament, 3-4 Elizabeth II, 1955.

THE SENATE OF CANADA

BILL W¹².

An Act respecting The Dominion of Canada General
Insurance Company.

AS PASSED BY THE SENATE, 18th MAY, 1955.



2nd Session, 22nd Parliament, 3-4 Elizabeth II, 1955.

THE SENATE OF CANADA

BILL W¹².

An Act respecting The Dominion of Canada General Insurance Company.

Preamble.

WHEREAS The Dominion of Canada General Insurance Company has by its petition prayed that it be enacted as hereinafter set forth and it is expedient to grant the prayer of the petition: Therefore Her Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:— 5

Repeal.

1. Section 2 of chapter 105 of the statutes of 1887, subsection 2 of section 4 of chapter 105 of the statutes of 1887 and section 2 of chapter 102 of the statutes of 1898 are repealed. 10

EXPLANATORY NOTES.

Clause 1. Section 2 of chapter 105 of the statutes of 1887 reads as follows:

"2. The capital stock of the Company shall be five hundred thousand dollars, divided into five thousand shares of one hundred dollars each, which said shares shall be and are hereby vested in the several persons who have subscribed or who subscribe for the same, their legal representatives and assigns, subject to the provisions of this Act, with power to the board of directors to increase the amount of the capital stock at any time, or from time to time, to an amount not exceeding in the whole one million dollars, and with power also to decrease the amount of the capital stock at any time or from time to time; but the stock shall not be increased or decreased until the resolution of the board of directors authorizing such increase or decrease has first been submitted to and confirmed by a majority of the shareholders at an annual general meeting of the Company or at a special meeting of the shareholders duly called for that purpose: Provided that the said stock shall not be decreased under the provisions of this section until the amount of the stock then subscribed has been paid up in full. (1887, c. 105, s. 2.)

(2) The board of directors shall have power to further increase the amount of the capital stock at any time or from time to time to an amount not exceeding in the whole six million, five hundred thousand dollars, but the stock shall not be increased until a resolution of the board of directors authorizing such increase has first been submitted to and confirmed by a majority of the shareholders at an annual general meeting of the Company or a special meeting of the shareholders duly called for that purpose.

(3) The directors of the Company may from time to time make by-laws for creating and issuing any part of the capital stock of the Company up to five million dollars without voting rights or with such restrictions as respects voting rights and control over the affairs of the Company as are by such by-law declared: Provided, however, that any term or provision of such by-laws whereby the rights of holders of such shares are limited or restricted shall be fully set out or clearly indicated in the certificates of such shares, and in the event of such limitations or restrictions not being so set out or clearly indicated they shall not be deemed to qualify the rights of the holders of such shares. (1929, c. 77, s. 2.)

(4) Any part of the unissued capital stock of the Company hereafter issued without voting rights or restricted as respects voting rights as authorized by the preceding subsection shall be divided into shares having a par value of ten dollars each. (1930, c. 63, s. 1.)

Subsection 2 of section 4 of chapter 105 of the statutes of 1887 reads as follows:

"(2) So soon after the organization of the Company as the said provisional directors deem it advisable to do so they shall call a meeting of the shareholders for the election of the first board of directors, and for the transaction of such other business as is brought before the meeting; and at such meeting and at all other meetings of the shareholders, each subscriber to the capital stock of the Company who has paid all calls due thereon required by this Act and such other calls as are, from time to time, made by the directors and who is present in person or represented by proxy at such meeting, shall have one vote for each one hundred dollars of stock subscribed for by him, but no person shall have a right to vote until he has paid at least ten per cent of the amount of stock subscribed by him. Every proxy must be himself a member and entitled to vote."

Section 2 of chapter 102 of the statutes of 1898 reads as follows:

"2. The directors of the Company may create and issue, as preference stock, any part of the authorized capital stock not yet issued, giving the same such preference and priority as respects dividends and capital and otherwise over ordinary stock as may be declared by by-law; but no such by-law shall have any force or effect whatsoever until it is approved by the votes of shareholders representing at least three-fourths in value of the subscribed stock of the Company, present or represented at a special meeting of the Company duly called for the purpose of considering the same, nor shall any such by-law, nor the issue of preference stock created thereby, in any way affect, prejudice or impair the rights of creditors of the Company.

(2) Holders of such preference stock shall be shareholders of the Company, and shall in all respects possess the rights, and be subject to the liabilities of shareholders: Provided however, that in respect of dividends and otherwise they shall, as against the ordinary shareholders, be entitled to the preference given by such by-law."

Capital
stock.

2. The capital stock of the Company shall be two million dollars divided into two hundred thousand ordinary shares of the par value of ten dollars per share.

Subdivision
of shares.

3. The ten thousand one hundred and three shares of the Company issued and outstanding prior to the passing of this Act and having a par value of one hundred dollars each shall be subdivided into one hundred and one thousand and thirty of the aforesaid shares having a par value of ten dollars each on the basis of ten shares for one. The said one hundred and one thousand and thirty ordinary shares shall constitute the total issued capital of the Company at the date of this enactment.

Power to
increase
capital.

4. The Company may by by-law increase the amount of its authorized capital stock from time to time to an amount not exceeding six million dollars divided into shares of the par value of ten dollars each provided that no such by-law shall be valid or acted upon until it has been sanctioned by at least two-thirds of the votes cast at a special general meeting of the shareholders of the Company duly called for considering the same.

Voting
rights.

5. Notwithstanding the provisions of subsection 2 of section 4 of chapter 105 of the statutes of 1887, at any meeting of shareholders of the Company each shareholder who is present in person or represented by proxy at such meeting shall have one vote for each share of stock registered in his name, and no more.

Classes of
insurance.

6. The Company shall be authorized to carry on the business of insurance in all its forms save and except the business of life insurance on the participating plan.

Clause 2. This clause reduces the authorized capital to \$2,000,000 and the par value per share to \$10.00.

Clause 3. In 1897 the Company created and issued 1,187 preference shares of \$100.00 each and subsequently a further 56 of similar preference shares. In 1929 a by-law was passed rescinding the preferences or priorities given to the holders of the said issued preference shares. Subsequently all holders of preference shares consented in writing to the rescission of the said preference provisions and surrendered their preferred share certificates and received in exchange certificates for ordinary shares. To remove any possible doubt as to the complete cancellation of the said preference shares the last sentence of clause 3, declaratory in nature, is deemed desirable and necessary. Pursuant to authority conferred by 1929, chapter 77, the Company increased its capital to \$6,500,000.00 by creating 55,000 additional shares of \$100.00 each, of which 50,000 carried no voting rights and were known as Class "A" shares. No Class "A" shares were at any time issued.

Clause 5. In the original Act of Incorporation each subscriber to the capital stock of the Company was given one vote for each one hundred dollars of stock subscribed for by him. The relevant section was as follows:

"4. (2) So soon after the organization of the Company as the said provisional directors deem it advisable to do so they shall call a meeting of the shareholders for the election of the first board of directors, and for the transaction of such other business as is brought before the meeting; and at such meeting and at all other meetings of the shareholders, each subscriber to the capital stock of the Company who has paid all calls due thereon required by this Act and such other calls as are, from time to time, made by the directors, and who is present in person or represented by proxy at such meeting, shall have one vote for each one hundred dollars of stock subscribed for by him, but no person shall have a right to vote until he has paid at least ten per cent of the amount of stock subscribed by him. Every proxy must be himself a member and entitled to vote."

Clause 6. The Company is presently empowered to carry on the business of insurance in practically all forms excepting life insurance on the participating plan but its powers in this respect have been obtained through various extensions of the powers contained in its original Act of Incorporation. It is deemed desirable that these powers be consolidated as now proposed.